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### **House Bills 5356-8 (As Introduced)**

**Topic:** Corporations  
**Sponsor:** Representatives Huizenga, Meisner, and Clemente  
**Co-sponsors:** None  
**Committee:** New Economy and Quality of Life

**Date Introduced:** October 24, 2007

**Date of Summary:** November 2, 2007

House Bill 5356 amends the Business Corporation Act. It distinguishes between professional services provided in a “learned profession” and professional services provided by others. Only corporations providing services in a “learned profession” would be required to form under the Professional Service Corporations Act. Definitions of “professional service” and “services in a learned profession” are provided. Professional service corporations are deleted from the list of the types of corporations that can form under the act. A new subsection is inserted clarifying that the Business Corporation Act is applicable to corporations formed under the Professional Service Corporations Act, except to the extent that the provisions of the latter conflict with the BCA. An entity providing one or more services in a learned profession may not incorporate under the BCA.

House Bill 5357 amends the Professional Service Corporations Act to make the definition of “professional service” consistent with the definition in House Bill 5356. The act would also be amended to clarify that the PSCA doesn’t apply to corporations providing professional services previously organized under the BCA as long as the corporations would not be required to organize under the PSCA under the amendatory bill. A provision is inserted giving explicit authority for corporations to form under the BCA if the corporation does not provide services in a “learned profession”. Finally, a general reference to the law governing business corporations is substituted for the current specific reference to the BCA.

House Bill 5358 amends the Limited Liability Company Act to make the definition of “professional service” consistent with the other business entity statutes.

The bills also propose other changes in the business entity statutes. These include:

- Amendments to permit business entity conversions, including the granting of dissenters’ rights to shareholders of a corporation that converts to another entity.
- New language is inserted in the BCA relating to interested director transactions.
- The BCA would also be amended to provide that no review of an indemnitee’s standard of conduct would be required where indemnification is mandatory pursuant to the act.
- Chapter 7B, the Control Share Acquisitions Act, would be repealed.

- Various technical amendments, including elimination of the requirement that incorporators sign articles of incorporation in ink and allowing limited liability companies to act as registered agents.